



The American University of Kurdistan Policy of General Disbursement

Policy Number: BF006
Effective Date: May 28, 2023

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I. INTRODUCTION

- a. **Authority:** The Board of Trustees (herein referred as “Board”) at The American University of Kurdistan (herein referred as “AUK” or “University”) is authorized to establish rules and regulations to govern and operate the University and its programs.
- b. **Purpose:** This policy defines reasonable expectation guidelines for disbursements from an AUK spendable fund. The AUK has a fiduciary obligation to ensure that any funds spending match the intent of the donor as well as the mission statement of AUK. As a result, the fund administrator is obligated to make every reasonable effort to ensure that monies are spent responsibly, prudently, and appropriately depending on whether the fund is donor-restricted or unrestricted.
- c. **Scope:** This policy ensures the payments for the acquisition of products and services are made on time and in the amount specified in the agreement, contract, purchase order, etc. Payment methods for distribution include cash, check, and electronic fund transfer. Appropriate documentation and authorization should be required before paying payables to provide effective controls over the distribution of AUK funds.

II. ROLES AND RESPONSIBILITIES

- a. **Responsible Executive:** VPAF
- b. **Responsible Administrator:** Director of Finance
- c. **Responsible Office:** Office of Finance
- d. **Policy Contact:** Director of Finance

III. POLICY STATEMENT

A disbursement form must be completed for each payment.

Forms for disbursements must be submitted prior to the intended date of expenditure. The requesting party is accountable for the timely submission of any payment requests.

Original documentation must accompany each disbursement form, including a description of the expenditure, its purpose, and justification. If the fund is in deficit, disbursement forms will not be executed.

The AUK will typically disperse funds through cash, checks, and wire transfers.

The AUK has a fiduciary responsibility to donors to use donations for the intended purpose. Expenditures must be "ordinary and reasonable" concerning the AUK's mission and compliance with its objectives.

The general requirements for disbursements are shown below. Expenditures must be as follows:

- Reasonable and support a legitimate specific purpose.
- Committed to the University's mission and objectives.
- In accordance with the purpose and restrictions of the fund from which the distribution is required.
- Documented effectively, including actual receipts, invoices, justification documentation, etc. The documents should reflect the amount requested for disbursement.
- Approved by a Director of Finance and VPAF, if no VPAF, then the President
- Compliance with AUK policies and procedures

EXPENDITURES NOT ALLOWED

AUK funds are supplied through the kind contributions of sponsors interested in supporting the University's objectives. The AUK will not approve any of the following expenditures as part of its stewardship except as specified.

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- Expenditures considered spacious, unnecessary, or providing great private interest.
- Clothing reimbursement for special events, such as formal clothes.
- Parking penalties, towing fees, traffic infractions, or other costs incurred due to illegal behavior.
- Personal memberships in social groups.
- Other expenses not directly connected to one's responsibilities.

IV. GENERAL PROCEDURES FOR DISBURSEMENT PROCEDURES

Authorized Payment Types

The three acceptable payment methods are cash, check, and electronic transfers.

Supporting Documentation and Payment Processing

Payments should be allowed only if they are accompanied by acceptable documentation.

The supporting documentation must include enough information to validate the amount as well as the business objective, the payee's name and address, and the date and type of the transaction, such as:

- Verification that the expenditure is properly supported by the vendor's original invoice, a receipt document, and, if required, a purchase order;
- Verification that the purchase request and purchase, if utilized, were correctly approved before ordering the goods or services;
- Establishment that goods and services were received; and
- Determination of whether or not permitted discounts are obtained.

To authorize the payment request with the accompanying documentation, the Director of Finance must sign the disbursement form prior to the payment.

Payments must be made on time to prevent late fees, interest, and other payment-related costs.

Any extra charge incurred due to a lack of required documentation may be the direct financial responsibility of the individual who caused the AUK to incur an unnecessary expense, interest, or late fee.

REQUIRED SIGNATURES AND DOCUMENTATION FOR THE DISBURSEMENT APPROVAL PROCESS

A. Signatures

The form must be signed by the following

- 1. Any Disbursement request between (1 USD to 5,000 USD)**
 - a) Signature of the requester
 - b) Signature and approval of the head of the department/unit
 - c) Signature and approval of Director of Finance

2. Any Disbursement request exceeding 5000 USD

- a) Signature of the request owner
- b) Signature and approval of the head of the department/unit
- c) Signature and approval of Finance Director
- d) Signature of the VPAF, if no VPAF, then the President

B. Required Documentation

a) VENDOR PAYMENTS

To pay a vendor, the following documentation must be attached to the disbursement form:

- a. Original invoice
- b. Expense's purpose and description
- c. If the disbursement is for a departmental meeting, lecture, or conference, the following information is required:
 1. Flyer, announcement, invitation, or registration form
 2. Purpose of event
 3. Agenda or program booklet
 4. List of attendees, if applicable
 5. Contract for services, if applicable

b) REIMBURSEMENTS

Requests for reimbursement must contain the following information:

- a. Original receipts include the original canceled check, if relevant.
- b. The payee's signature
- c. Signature of respective director, dean, VP, and the Director of Finance
- d. The purpose of the expenditure
- e. If reimbursement is for a departmental meeting, lecture, conference, or reception, the information listed above in vendor payments is required

c) CONFERENCES

- a. A copy of the program booklet or agenda
- b. Registration form
- c. All original invoices for expenditures

d) TRAVEL

- a. Destination or itinerary
- b. Purpose
- c. Any documentation that serves as justification for the payment or reimbursement (i.e. ticket, receipts, etc.)

V. MONITORING

The Office of Finance will monitor the policy's implementation, performance, and effectiveness. Finance has the authority to perform audits of these requests, including the documentation submitted at any time.

VI. POLICY HISTORY

- a. **Approved by:** Board of Trustees
- b. **Adopted:** May 28, 2023

VII. FORMS



DISBURSEMENT REQUEST FORM

For Internal Use Only
Submitted (Date):
Donor Name:
Project Code:
Project Name:
Total \$

(Company Name)

(Email)

(Phone Number)

#	<u>Information:</u>	<u>Amount of payment</u>

**Please attach the ORIGINAL invoice, receipt, or other documentation for this payment.
You must include vendor invoices with details, not statements.**

Name (of persons) : _____ (authorized by the service provider)

Signature: _____

Phone Number: _____

Email: _____